

**GOVERNMENT OF INDIA
LABOUR
LOK SABHA**

STARRED QUESTION NO:639
ANSWERED ON:10.05.2000
STATE MINISTERS CONFERENCE
A. VENKATESH NAIK;ASHOK NAMDEORAO MOHOL

Will the Minister of LABOUR be pleased to state:

- (a) whether the State Ministers` Conference held in the year 1987 had recommended to revise the wages of labour at least once in a two years` block;
- (b) if so, whether the wages of labour are still being revised only after a gap of five years;
- (c) if so, the reasons therefor;
- (d) whether the Government are now considering the matter afresh; and
- (e) if so, the time by which a final decision in this regard is likely to be taken?

Answer

MINISTER OF LABOUR (DR. SATYANARAYAN JATIYA)

(a) to (e): A statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 639 DUE FOR ANSWER ON 10.5.2000.

The 36th Session of State Labour Ministers` Conference held on 20th May, 1987 recommended for periodical revision of minimum wages once in at least over 2 years or on a rise of 50 points in the Consumer Price Index (CPI). Later the State Labour Ministers` conference held on 7th November, 1988, recommended to evolve a mechanism to protect the minimum wages against inflation by linking it to the CPI. Accordingly, all the State governments/Union Territory Administrations are being advised from time to time in various fora like seminars, meetings and conferences to fix, review and revise minimum wages within a period not exceeding 2 years or on a rise of 50 points in the CPI whichever is earlier. The Central Government have already introduced Variable Dearness Allowance (VDA) linked to CPI numbers in respect of all the scheduled employments under its jurisdiction. The component of VDA is revised every six months effective 1st April and 1st October which is added to basic minimum wages. As there is a component to VDA, the minimum wages for employment in Central Sphere are revised once in 5 years as per existing provision in the Act. As regards States, 19 States/Union Territories have made the provision of VDA linked to CPI as a component of the minimum wage.

The Government has been in the process of bringing Amendments in the Minimum Wages Act including that of reduction in the period of revision from 5 years to 2 years unless the minimum wage has a component of VDA linked to CPI in which case, it shall continue to be 5 years. As regards specific time frame, it may not be possible to indicate the same on account of procedures/steps involved.